



October 14, 2004

**United States
Department of
Agriculture**

INFORMATIONAL MEMORANDUM

Risk
Management
Agency

TO: All Colorado and Missouri Reinsured Companies

Topeka
Regional Office

FROM: Rebecca Davis /s/ for *Mary C. Lynch*
Director

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SUBJECT: 2005 Regional Underwriting Guidelines for Colorado and
Missouri Category C Perennial Crops (Apples, Grapes, and Peaches)

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ISSUE:

For 2005, the following Risk Management Agency (RMA) Topeka Regional Office (RO) Guidelines are issued to more accurately target perennial crop policies needing field inspections and to limit the number of field inspections to only those cases requiring further analysis and possible yield adjustment by the Topeka RO.

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1. General Requirements:

When the policy triggers pre-acceptance field inspection selection criteria (tolerance guidelines) outlined in Section 7 F(2) in the 2005 Crop Insurance Handbook (CIH) requiring RMA RO yield determination, the following information, for all applicable units by practice, type, and variety (P/T/V), must be provided:

- A. Supporting documentation as outlined in Section 7 F(6): current Actual Production History forms (FCI-19A, NCIS-765 or APH equivalent), hard copy records of acreage and production, Producer's Pre-Acceptance Worksheet(s), Pre-Acceptance Perennial Crop Inspection Report and Applicable Crop Addendum Worksheet(s), Block Production Worksheet(s), Unit Summary Worksheet(s), and if applicable, RMA RO Determined Yield Request(s).
- B. Pre-Acceptance Perennial Crop Inspection and applicable Crop Addendum Worksheet(s) must be current, (five years old or less) as outlined in the chart shown in Section 7 F(1)(c).
 - B(1) If the current inspection on file is greater than five years old, (inspections for the 1999 crop year and prior), or a current copy cannot be obtained from the ceding company/FSA Office, the unit(s) in question must be field inspected for 2005.



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B(2) A new inspection when the insured answers ‘YES’ to question 22 contained on the Producer’s Pre-Acceptance Worksheet.

C. Crop Insurance Handbook Changes

This office previously provided procedures for determining approved APH yields for acreages with high variability of yields or down trending yields. Yield determination methodology for these exception cases has now been incorporated into CIH Section 7 F(2)(b).

2. Yield Limitations (cups) / Substitution under Yield Allowance (60 % T-Yields) in Reference to CIH Section 7 F(2)(b):

Yield limitations (cups) [CIH Section 7 J(6)], and Yield Substitution under YA (60 % T-Yields) [CIH Section 13 D(7)] generally do not apply to units or blocks (by P/T/V) in special cases referred to the RMA RO for yield determination, including those cases waived for company approval. Cases identified in Section 7 F(2)(b)(2) and submitted to the RMA RO as a request for higher yields may be eligible for yield substitution if qualified and elected by the insured, as determined by the RMA RO. However, all other Crop Insurance Handbook procedures apply.

3. Organic or Sustainable Practices (Pre-Acceptance Worksheet Question #23-Organic and Non-Conventional Practices):

- A. Insurance providers are authorized to approve the average APH yield using APH procedure as stated in Exhibit 38 for all units [identified in 7 F(2)(d)] grown with the transitional organic or organic production practice. For units/blocks meeting criteria specified elsewhere in 7 F(2) [except (2)(d)], the Insurance Provider will follow the procedures in this letter or the CIH.
- B. Insurance providers are also authorized to approve the average yield using standard Category C APH procedure for all units [identified in 7 F(2)(d)] grown with the sustainable production practice.

4. Utilization of Block Production Procedure:

When block production records are used to calculate the approved yield for cases identified in CIH Sections 7 F(2)(b) and (d) and item 3B above, use the corresponding yield determination formula for only those blocks meeting the applicable tolerance test:

- A. Standard APH procedures apply to blocks not meeting applicable tolerance tests.
- B. Final approved APH yield is transferred from Unit Summary Worksheet (FCI-19-A-USW).

5. Waiver:

- A. Insurance providers are authorized to approve average yields for situations via guidelines outlined in CIH Sections 7 F(2)(b) and (d) and item 3B above.
- B. This waiver is not applicable to policy units when answering either ‘**YES**’ to question 22 or ‘**NO**’ to question 24 of the Producer Pre-Acceptance Worksheet (12-PAW) or marking the RMA RO Coverage Review on question 37 of the Pre-Acceptance Perennial Crop Inspection Report (12-P).

Section 7 F(5)(a) in the CIH discusses deadlines for inspections and submitting all required information to the Insurance Provider or RMA RO depending on which is applicable. This deadline is listed as no later than 30 calendar days after the Production Reporting Date (PRD). The production reporting date for the Topeka Regional Office is January 4, 2005.

Any policy forwarded to the RMA Topeka RO must include the documentation as outlined in item 1 of the General Requirements above. If you have any questions or need assistance, please contact the RMA Topeka RO.